Exhibit 4: May 27, 2004 Staff Recommendation

COASTAL CONSERVANCY

Staff Recommendation May 27, 2004

MORRO BAY BOARDWALK

File No. 04-022 Project Manager: Timothy Duff

RECOMMENDED ACTION: Authorization to disburse up to \$500,000 to the City of Morro Bay for construction of a pedestrian boardwalk on the Morro Bay waterfront.

LOCATION: Morro Bay waterfront, San Luis Obispo County (Exhibits 1 and 2)

PROGRAM CATEGORY: Access

EXHIBITS

Exhibit 1: Regional Location Map

Exhibit 2: Project Site Map

Exhibit 3: Boardwalk Cross Section - North End

Exhibit 4. Combined Mitigated Negative Declaration/Environmental

Assessment

Exhibit 5: Letters of Support

RESOLUTION AND FINDINGS:

Staff recommends that the State Coastal Conservancy adopt the following Resolution pursuant to Sections 31400 *et. seq.* of the Public Resources Code:

"The State Coastal Conservancy hereby authorizes the disbursement of an amount not to exceed five hundred thousand dollars (\$500,000) to the City of Morro Bay (the City) for construction of a waterfront boardwalk, subject to the condition that prior to the disbursement of funds for construction, the City shall submit for the review and approval of the Executive Officer of the Conservancy:

- 1. Evidence that the City has obtained all necessary permits and approvals, and all other funds necessary to complete the project.
- 2. A final work program, including construction drawings, a budget, schedule, and names of any contractors and subcontractors to be employed for these tasks.
- 3. A signing plan for the project acknowledging Conservancy participation.

4. Evidence that the project design is consistent with the Conservancy's "Standards and Recommendations for Accessway Location and Development."

"Based on the accompanying staff report and attached exhibits, the State Coastal Conservancy hereby finds that:

- 1. The proposed project is consistent with the purposes and objectives of Sections 31400 *et seq.* of Division 21 of the Public Resources Code regarding coastal access.
- 2. The proposed project is consistent with the Project Selection Criteria and Guidelines adopted by the Conservancy on January 24, 2001.
- 3. The Conservancy has reviewed the Mitigated Negative Declaration adopted by the City of Morro Bay on May 24, 2004, attached as Exhibit 4 to this staff recommendation, and concurs that the project, as mitigated, avoids or reduces the possible effects on the environment to a level of insignificance. The Conservancy further finds that there is substantial evidence to conclude that the project will not have an adverse effect on wildlife resources.
- 4. The proposed project serves greater than local needs."

PROJECT SUMMARY:

The City of Morro Bay proposes to construct a one-mile-long pedestrian boardwalk that would traverse a dynamic urban waterfront consisting of a commercial and sport fishing village, a commercial/retail district, and a national estuary that together offer a diverse public access experience along the Morro Bay waterfront. Constructing an accessway along the waterfront between the harbor's commercial area and the sandy beaches of Morro Strand State Beach is a priority recommended in the Conservancy's Coastal Trail Report.

The pathway would run northwest from the commercial district along the bay towards the city's most obvious landmark, Morro Rock, where adjacent state beach property extends north four miles to the town of Cayucos (Exhibit 2). The boardwalk would provide pedestrians with numerous vantage points and overlooks to view Morro Bay National Estuary and dockside activities, including fish offloading and processing. The boardwalk would also enhance physical access to nearby boat launch and water taxi operations that provide visitors with access onto the bay itself.

Within the harbor's commercial area, the boardwalk is proposed to be constructed with a combination of wood and concrete, and at some locations would be routed over water using existing piles and beams that support adjacent structures. While the goal of the project is to provide as much pedestrian contact with the harbor's waterfront as feasible and practical, it may be necessary to route the boardwalk behind several buildings located on the water's edge within the commercial area. Once beyond the commercial area, the pathway would follow the harbor's shoreline and would be routed on top of existing rock revetment adjacent to an existing two-lane roadway (Coleman Drive) that is to be relocated to accommodate the boardwalk. From Coleman Drive to the end of the pathway near Morro Rock, stamped concrete simulating timber planks would be used to establish a defined contrast in materials between the path and the asphalt road. Additional amenities and features to be constructed at various points along the accessway would include directional and interpretive signs, chains and bollards, handrails, and overlook platforms (Exhibit 3). The entire length of the boardwalk would be wheelchair accessible.

In addition to the proposed pedestrian boardwalk, funds from other sources would be directed to the construction of a joint bicycle/pedestrian accessway on the inland side of the roadway. This multi-use pathway would be routed next to an existing road that runs behind the dunes of the Morro Strand State Beach, and in front of the Duke power plant. The accessway would eventually connect with a future multi-use pathway to be constructed between Morro Bay and Cayucos, the next town four miles to the north. A segment of this bikeway would also run adjacent to the boardwalk where it extends towards Morro Rock.

Site Description: The project area is located along the Morro Bay harbor fronting the area's main boulevard, Embarcadero Street, which provides visitors with access to the city's busiest commercial district. While the project area has several restaurants typical of the waterfront's adjacent commercial and retail center, this stretch of the harbor front is primarily devoted to working fishing boats and shoreside support for the harbor's active fishing operations. Further to the northwest and beyond the harbor's docks and associated developments, the pathway is routed adjacent to Embarcadero Street with the bay to the south and Morro Strand State Beach to the north. At this location the roadway is built over landfill created when the harbor's northern entrance was closed in the 1940s. The roadway, which provides the only vehicular access to the south end of Morro Strand State Beach and Morro Rock, terminates at two parking lots that serve visitors to the breakwater and adjacent sandy beaches that are popular for fishing, surfing, and other beach recreation. The site's waterfront location provides visitors with panoramic views of the open ocean and the Morro Rock. It also offers a variety of vantage points to observe the resources of the Morro Bay National Estuary and its abundant wildlife, including seals, otters, and over 100 species of birds.

Project History: Project planning was initiated in the 1990s during a period when the City Council, staff, consultants, and various City commissions, committees, and residents began to articulate a vision for the future of the waterfront by updating the City's waterfront master plan. Adopted by the City Council in 1996, the City of Morro Bay Waterfront Master Plan (WMP) identified the need for infrastructure improvements to maximize the recreational potential and access from the harbor's waterfront to Morro Rock and adjacent beaches. The objective of the WMP has been to balance the need to maintain a working harbor while planning for improvements and enhancement of the commercial and public access elements of the waterfront. In 2000, the City funded the preparation of a feasibility study and conceptual designs for the proposed boardwalk improvements, refined those concepts between 2001 and 2002, and in 2003 initiated preparation of an environmental review document. Because federal funding would be used for the construction, a combined Mitigated Negative Declaration/Environmental Assessment was completed and circulated for public and agency review in April of 2004.

In 2000, the City began to pursue state and federal funding to construct the waterfront improvements. The San Luis Obispo Council of Governments (SLOCOG) is responsible for selecting transportation enhancement activities within their jurisdiction, and is the regional agency that administers federal transportation enhancement funds (TEA funds) for such activities. In 2002, the proposed waterfront boardwalk was identified by SLOCOG as a priority transportation enhancement project in their 2002 Regional Transportation Improvement Program, and later that year SLOCOG recommended the project to the State of California Transportation Commission, the State Interregional Transportation Improvement Program. Federal funds for the project are expected to be approved for this project in August of this year.

PROJECT FINANCING:

Caltrans (TEA Funds) \$675,000 Coastal Conservancy 500,000 City of Morro Bay (In kind staff services) 115,000 *

Total: \$1,290,000

The expected source of Conservancy funds for this project is the Conservancy's FY 2001/02 appropriation from Safe Neighborhood Parks, Clean Water, Clean Air, and Coastal Protection Fund (Proposition 12). Consistent with the purposes of this funding source, the proposed project would be carried out in accordance with the provisions of the Conservancy's enabling legislation, and would serve to establish public coastal accessways to and along the coast that would serve greater than local needs. Consistent with Section 1, Article 7 of Proposition 12, the proposed project would provide grant funds to the City of Morro Bay for development of a Coastal Trail accessway.

*The City of Morro Bay would contribute in kind staff services for project management during the construction period. In addition, the City has already contributed an estimated \$175,000 to fund pre-project planning and design, including completion of the waterfront master plan, and preparation of a project feasibilty study and a combined CEQA/NEPA environmental document.

CONSISTENCY WITH CONSERVANCY'S ENABLING LEGISLATION:

Public Resources Code Section 31400 directs the Conservancy to have a principal role in the implementation of public accessways to and along the state's coastline. To this end, § 31400.3 authorizes the Conservancy to "provide such assistance as is required to aid public agencies and nonprofit organizations in establishing a system of public coastal accessways, and related functions necessary to meet the objectives of this division." Funding this accessway project is consistent with these provisions as well as with § 31400.1 which authorizes the Conservancy to award grants to a public agency for purposes of developing lands suitable for public accessways to and along the coast, when the subject accessways serve greater than local needs. The project would serve the recreational needs of an estimated two million annual visitors to the project area, as well as local residents.

Consistent with § 31400.2, the amount of funding provided by the Conservancy has been determined by the total amount of available for coastal public accessway projects, the fiscal resources of the grantee, the urgency of the project relative to other eligible projects, and the application of factors prescribed by the Conservancy for the purpose of determining project elibibility and priority.

The proposed project is consistent with the Local Coastal Programs of the City of Morro Bay as described in the Consistency with Local Coastal Program Policies below.

CONSISTENCY WITH CONSERVANCY'S STRATEGIC PLAN GOAL(S) & OBJECTIVE(S):

Consistent with **Goal 1 Objective** C, the project would entail construction of approximately one mile of trail within public ownership.

Consistent with **Goal 1 Objective D**, the project would bridge gaps in the Coastal Trail by establishing a new pedestrian accessway between Morro Bay Harbor and Morro Strand State Beach.

Consistent with **Goal 2 Objective D**, the project would increase coastal recreation opportunities for residents and visitors, and correct dangerous conditions by establishing a new pedestrian accessway with a safety buffer adjacent to an existing roadway that extends from the Morro Bay harbor to Morro Strand State Beach.

Consistent with **Goal 2 Objective E**, the project would serve to alleviate the negative impacts of traffic and congestion on public access by creating a continuous pedestrian pathway between the Morro Bay harbor and nearby beaches.

Consistent with **Goal 3 Objective B**, the project would increase and promote tourism and public access to the Morro Bay waterfront and harbor.

CONSISTENCY WITH CONSERVANCY'S PROJECT SELECTION CRITERIA & GUIDELINES:

The proposed project is consistent with the Conservancy's Project Selection Criteria and Guidelines adopted January 24, 2001, in the following respects:

Required Criteria

- 1. **Promotion of the Conservancy's statutory programs and purposes:** See the "Consistency with Conservancy's Enabling Legislation" section above.
- 2. **Consistency with purposes of the funding source:** See the "Project Financing" section above.
- 3. **Support of the public:** This project has widespread support, including that of Congresswoman Lois Capps, State Senator Bruce McPherson, Assemblyman Abel Maldonado, San Luis Obispo Council of Governments, and others. See Exhibit 5 for letters of support.
- 4. **Location:** The project would be located within the coastal zone of the City of Morro Bay.
- 5. **Need:** Conservancy funding is needed to complete the construction funding package.
- 6. **Greater-than-local interest:** The proposed project serve residents from throughout San Luis Obispo County as well as visitors traveling to and along the central coast who visit Morro Bay's popular waterfront, national estuary, and adjacent state parks.

Additional Criteria

- 8. **Resolution of more than one issue:** The project would create new pedestrian access between the Morro Bay waterfront and nearby beaches, and reduce traffic congestion in the project area.
- 9. **Leverage:** See the "Project Financing" section above.
- 12. **Readiness:** Environmental review of the project is complete and the document has been approved by the City. If Conservancy funds are authorized, the City would have the funds needed to initiate construction of the project early next year once required permits are obtained.

- 13. **Realization of prior Conservancy goals:** See the "Project History" section above.
- 15. **Cooperation:** The project entails the cooperation of numerous local, regional, state, and federal transportation, resource management, and planning agencies.

CONSISTENCY WITH CONSERVANCY'S ACCESS PROGRAM STANDARDS:

The project, as designed, is consistent with Conservancy's Standards and Recommendations for Accessway Location and Development as follows:

Standard No. 1 Protect Public and Coastal Resources

The project is designed and located to minimize alteration of the natural landforms of Morro Bay and protect environmentally sensitive habitats by locating the pathway over existing revetment adjacent to an existing roadway. The boardwalk would serve to prevent unwarranted hazards to public safety by using adequate buffers between pedestrian and vehicular traffic, and incorporating features such as bollards and railings.

Standard No. 2 Correct Hazards

By establishing a pedestrian pathway that is to include directional signage and a buffer between the roadway and the pathway, the project would serve to reduce existing hazards associated with pedestrians using the roadway shoulder.

Standard No. 5 Environmentally Sensitive Areas

The project has been designed and routed to protect environmentally sensitive areas near the bay shoreline.

Standard No. 8 Trails

The boardwalk would serve to connect the harbor with nearby beaches, and would include appropriate paving materials, adequate trash receptacles, benches, barriers, and signs.

Standard No. 9 Scenic Overlooks

The boardwalk would include several overlooks that would provide the public with a unique view of the bay and coast and would be accessible to those with physical disabilities.

Standard No. 12 Support Facilities

The project would include support facilities including directional and resource interpretation signs and would serve users of nearby beaches.

Standard No. 13 Barrier-Free Access

The boardwalk would be wheelchair-accessible.

CONSISTENCY WITH LOCAL COASTAL PROGRAM POLICIES:

The project is consistent with the City of Morro Bay's Local Coastal Plan Land Use Plan Shoreline Access and Recreation Policy 1.26 which states that "public access along the waterfront revetment shall be provided in all new development . . . consistent with public safety needs and the need to protect public rights, rights of private property held by leaseholders, and natural resource areas from overuse." The project is designed and routed consistent with this policy. The project is also consistent with Visitor Serving Policy 2.01 which states that "Developments providing public recreational opportunities are preferred." Policy 2.01 also states that "Lower cost visitor and recreation facilities for persons and families of low or moderate

income shall be protected, encouraged, and where feasible, provided." The proposed improvements would provide free visitor and recreation opportunities to all visitors. In addition, Policy 2.02 requires that priority be given for coastal-dependent uses located on the west side of the Embarcadero. The proposed bay front boardwalk would provide for coastal access and recreation, a coastal-dependent use.

COMPLIANCE WITH CEQA:

The City's Public Services Department (City) served as the lead agency for purposes of the California Environmental Quality Act (CEQA) and State Department of Transportation (Caltrans), acting for the Federal Highways Administration (FHWA), served as the federal lead agency for the National Environmental Protection Act (NEPA) compliance. A combined Mitigated Negative Declaration/Environmental Assessment (MND/EA) was jointly prepared because proposed project funding is being provided through a federal transportation enhancement activities program (Exhibit 4). The City posted a Notice of Availability with the State Clearinghouse on April 9, 2004, and published notices in local newspapers on April 14, 2004. The City is expected to adopt the MND/EA and mitigation monitoring plan, and determine that, consistent with 14 Cal. Code of Regulations Section 753.5(d), there is no evidence before it that the project would have any potential adverse impacts on fish and wildlife resources or the habitat on which wildlife depends.

Upon review of the City's Mitigated Negative Declaration, the Conservancy staff find that the document is adequate for purposes of conducting an analysis of the projects possible environmental effects as required under CEQA (14 Cal. Code Reg. § 15096). The proposed mitigation measures are contained in the attached Mitigated Negative Declaration (Exhibit 4). The Mitigated Negative Declaration identified possible significant environmental effects of the project in the areas of air quality, biological resources, geology and soils, hydrology and water quality, noise, and transportion. Proposed mitigations that will avoid or reduce the possible effects to a level of insignificance are summarized as follows.

Air Quality

Grading and earthmoving activities associated with project construction could generate potentially significant amounts of particulate matter (dust). To mitigate any potential impacts, a dust management plan will be implemented to maximize retaining dust onsite.

Biological Resources

Dune Scrub. The project would result in a loss of approximately 1.1 acre of degraded dune scrub vegetation dominated by beachgrass and encroach on an area supporting a diversity of dune scrub plants, including the Blochman's leafy daisy. To mitigate potential impacts to dune scrub, construction fencing will be installed to minimize construction and personnel access into areas that support dune scrub vegetation. Dune restoration areas will be established to improve habitat quality in selected restoration areas. Where sensitive plants are unavoidably removed, a revegetation plan will be implemented which replaces affected sensitive plants at a 10:1 ratio with plants propagated from on-site sources. In addition, the replanting program will include other dune species as appropriate to the specific impact area. Replanting will be maintained and monitored for three years to have 50 percent survival at the end of three years. A weed control program will be implemented that removes invasive plant species to encourage the establishment of native dune scrub plants, including Blochman's leafy daisy. A qualified professional will be retained to iden-

tify monitoring activities related to sensitive plants and will verify any needed replacement plan and monitoring for three years.

Eelgrass. The proposed project includes over-water features, such as overlooks, that may indirectly affect eelgrass by shadowing the eelgrass beds. Eelgrass beds are considered a sensitive resource, and these over-water features will be designed to reduce or avoid the potential to create shadows over the water.

Geology and Soils

Project construction has the potential to cause surface water-induced erosion and siltation offsite. To prevent these potential effects, erosion control measures will be implemented for any project grading between November 15 and April 15 including silt fencing, straw bales, straw wattles, and/or sand bags in conjunction with other methods. Non-paved areas shall be treated within four weeks of grading to minimize erosion and to re-establish soil structure and fertility. Revegetation shall include drought-resistant, fast-growing vegetation that would quickly stabilize exposed ground surfaces.

Hydrology and Water Quality

Short-term erosional impacts and siltation of Morro Bay would potentially occur as a result of temporary exposure of on-site soils to surface runoff during grading and construction. Potential erosional impacts will be mitigated by the implementation of erosion control measures including the installation of temporary berms and sedimentation traps, such as silt fencing, during project grading to minimize erosion of soils and sedimentation in the storm drains. Best Management Practices (BMPs) will also be implemented in accordance with the NPDES Phase 2 Permit requirements for short-term construction to address erosional impacts at the site. Such practices include sweeping and disposing of soils to prevent offsite transport and/or runoff into storm drains or directly to the Bay, implementing measures to prevent runoff of any debris into the Bay, placing drip pans under mechanical equipment to catch leaks, and properly storing or disposing of all materials with potential for polluting stormwater runoff.

Noise

Construction may result in a temporary increase in noise in the project area. To minimize impacts, construction activity will be restricted to the hours between 7:00 a.m. and 4:00 p.m., Monday through Friday, with no construction allowed on State holidays.

Transportation

Construction activities could cause short-term impacts to traffic. To minimize the identified short-term impacts, a Traffic Management Plan will be implemented during project construction to ensure that 1) construction activities occur outside of the peak tourist season, 2) one travel lane shall be maintained in each direction during construction, and 3) a public awareness program is implemented before and during construction to provide information on road closures, delays expected during construction, signage and flagpersons, brochures, web sites, newspaper, and other notices.

Mandatory Findings of Significance

Due to its limited scope and location, the project does not have the potential to substantially reduce sensitive habitat, cause wildlife species to drop below self-sustaining levels or eliminate examples of California history or prehistory. The project by design and location will avoid sensitive habitat.

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Mitigation Monitoring

City staff will verify that all mitigation measures are monitored and that qualified plant and wild-life biologists are retained for monitoring and compliance before, during, and after construction in coordination with state and federal resource agency staff as needed. City staff will ensure that final construction plans and proposed routes comply with all required mitigation measures prior to issuance of building permits, and will ensure compliance with all required mitigation measures during construction in the field.

Conclusion

After reviewing the MND/EA, staff recommends the Conservancy independently find that the project, as mitigated avoids or reduces the possible effects on the environment to a level of insignificance. Staff also recommends the Conservancy find, consistent with 14 Cal. Code of Regulations § 753.5(d), that there is substantial evidence that the project will not have an adverse effect on wildlife resources as defined under California Fish and Game Code § 711.2. Upon approval, staff will file a Notice of Determination.